

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

March 4, 2003

Agenda ID #1849
CA-37

TO: PARTIES OF RECORD IN RULEMAKING 01-08-028

This is the draft decision of Administrative Law Judge (ALJ) Malcolm, which is listed on the Commission's agenda of March 13, 2003. The Commission may act then, or it may postpone action until later. When the Commission acts on the draft decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

The Commission publishes this draft decision of ALJ Malcolm for comment pursuant to Rule 77.7(f)(9) of the Commission's Rules of Practice and Procedure ("Rules"). The Commission may reduce or waive comments on the draft decision from the usual 30-day period if required by public necessity. It is in the public interest to consider extending "bridge" funding for 2002-2003 energy efficiency programs beyond March 31, 2003 because the Commission will not issue a final order on utility 2003 program fund allocations until after March 31, 2003. Absent Commission action to extend funding for existing programs, those programs could be disrupted. Therefore, the Commission will reduce the period for the public to review and comment on this draft decision. ***Parties must serve their comments by electronic mail by 10:00 a.m. on March 10, 2003. Parties must file comments with the Commission's Docket Office by 5:00 p.m. on March 10. The Commission will not accept reply comments.***

Article 19 governs of the Commission's Rules and are accessible on the Commission's website at <http://www.cpuc.ca.gov>. In addition to service by mail, parties should send comments in electronic form to those appearances and the state service list that provided an electronic mail address to the Commission, including ALJ Kim Malcolm at kim@cpuc.ca.gov.

/s/ ANGELA K. MINKIN
Angela K. Minkin, Chief
Administrative Law Judge

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Attachment

Decision **DRAFT DECISION OF ALJ MALCOLM** (Mailed 3/4/2003)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the
Commission's Future Energy Efficiency Policies,
Administration and Programs.

Rulemaking 01-08-028
(Filed August 23, 2001)

**INTERIM OPINION EXTENDING FUNDING FOR ENERGY EFFICIENCY
PROGRAMS PAST MARCH 31, 2003**

This decision extends "bridge funding" for energy efficiency programs beyond March 31, 2003.

Discussion

Decision (D.) 03-01-038 anticipated a Commission decision choosing utility energy efficiency programs in the first quarter of 2003. To prevent disruption in the delivery of pre-existing programs, it authorized the utilities whose programs would expire at the end of 2002 to continue those programs through March 31, 2003, using electric and gas "public goods charge" funds from that period. If the Commission were to issue a decision on the utilities' 2003 program applications prior to that time, this "bridge funding" would expire upon issuance of that decision.

The Commission will not issue an order allocating funds to utility energy efficiency programs before March 31, 2003. The assigned ALJ issued a proposed decision on March 4, 2003, for the Commission's consideration at its April 3 meeting. Accordingly, this order extends the funding for 2002 energy efficiency

programs, including “Flex Your Power” programs, past March 31, 2003, in order to prevent program disruption.

The amount of the bridge funding authorized in D.03-01-038 was based on 20% of the total public goods charge funds allocated to 2003 utility statewide and local programs shown in D.03-01-038. We will extend this amount by authorizing bridge funding for an additional 7% a month against the total 2003 utility funding amounts set forth in D.03-01-038 so that the bridge funding, plus funding for new 2003 programs, are equal to the amounts in that order. This level is consistent with the conceptual funding levels adopted in D.03-01-038.

The utilities may only use these funds for their 2002 programs authorized in D.02-03-056 and D.02-05-046. The utilities should include the program accomplishments achieved during the bridge-funding period toward the cumulative goals of their 2003 programs.

Assignment of Proceeding

Loretta M. Lynch is the Assigned Commissioner and Kim Malcolm is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. D.03-01-038 extended funding for pre-existing programs from December 31, 2002 to March 31, 2003.
2. On March 4, 2003, the Assigned ALJ issued a draft order allocating funding to utility energy efficiency programs for 2003. The order will be on the Commission’s April 3 agenda. The Commission will not be able to issue an order on these programs before bridge funding expires on March 31, 2003.
3. The amount of bridge funding is based on the monthly funding levels adopted in D.03-1-038 for 2003 IOU statewide and local programs.

Conclusion of Law

It is reasonable to extend bridge funding beyond March 31, 2003, to avoid program disruption, as set forth herein.

INTERIM ORDER**IT IS ORDERED** that:

1. To prevent program disruption, we authorize the utilities whose programs expired at the end of 2002 to continue those programs beyond March 31, 2003, using Public Goods Charge collections from associated periods, in the amounts set forth in the body of this decision.
2. The utilities are hereby authorized additional bridge funding at a level of 7% a month against the total 2003 utility funding amounts set forth in Decision (D.) 03-01-038 so that the bridge funding, plus funding for new 2003 programs, equal the total amounts described in D.03-01-038.
3. This 7% amount shall be prorated during the month in which the Commission issues an order approving funding allocations for utility programs in 2003.
4. The utilities may only use these funds for their 2002 programs authorized in D.02-03-056 and D.02-05-046. This “bridge funding” shall expire upon issuance of a decision authorizing funding for utility energy efficiency programs for 2003.

This order is effective today.

Dated _____, at San Francisco, California.